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 City of Stockton

9 UNITED STATES BANKRUPTCY COURT
 10 EASTERN DISTRICT OF CALIFORNIA
 11 SACRAMENTO DIVISION

13 In re:
 14 CITY OF STOCKTON, CALIFORNIA,
 15 Debtor.

Case No. 12-32118
 Chapter 9
 Adv. No. 2013-02315

16 WELLS FARGO BANK, NATIONAL
 17 ASSOCIATION, FRANKLIN HIGH
 18 YIELD TAX-FREE INCOME FUND,
 19 AND FRANKLIN CALIFORNIA
 HIGH YIELD MUNICIPAL FUND,

20 Plaintiffs,

21 v.

22 CITY OF STOCKTON, CALIFORNIA,
 23 Defendant.

**ORDER MODIFYING ORDER
 GOVERNING THE
 DISCLOSURE AND USE OF
 DISCOVERY INFORMATION
 AND SCHEDULING DATES
 RELATED TO THE TRIAL IN
 THE ADVERSARY
 PROCEEDING AND ANY
 EVIDENTIARY HEARING
 REGARDING CONFIRMATION
 OF PROPOSED PLAN OF
 ADJUSTMENT**

RECEIVED

January 28, 2014
 CLERK, U. S. BANKRUPTCY COURT
 EASTERN DISTRICT OF CALIFORNIA
 0005095498

ORDER MODIFYING ORDER GOVERNING
 DISCLOSURE AND USE OF DISCOVERY
 INFORMATION

1 Pursuant to the Stipulation For Order Modifying Order Governing The Disclosure And
2 Use Of Discovery Information And Scheduling Dates Related To The Trial In The Adversary
3 Proceeding And Any Evidentiary Hearing Regarding Confirmation Of Proposed Plan Of
4 Adjustment entered into by the Parties, and good cause appearing therefore,

5 IT IS HEREBY ORDERED that the Court's December 10, 2013 Order Governing The
6 Disclosure And Use Of Discovery Information And Scheduling Dates Related To The Trial In
7 The Adversary Proceeding And Any Evidentiary Hearing Regarding Confirmation Of Proposed
8 Plan Of Adjustment (the "Scheduling Order") is modified as follows:¹

9 1. The City shall complete production of documents responsive to the Request Of
10 Franklin High Yield Tax-Free Income Fund And Franklin California High Yield Municipal Fund
11 For Production Of Confirmation-Related Documents, Sets One and Two, and the Request Of
12 Franklin High Yield Tax-Free Income Fund And Franklin California High Yield Municipal Fund
13 For Production Of Adversary Action-Related Documents, Sets One and Two (collectively, the
14 "Franklin RFPs") on or before February 21, 2014. While the City must complete its discovery by
15 February 21, 2014, the City shall continue to produce responsive documents to the Parties on a
16 rolling basis. The deadline for all other Parties to complete production of documents responsive
17 to the requests served upon them shall be February 5, 2014.

18 2. On or before January 31, 2014, each Party shall exchange and provide to the other
19 Parties preliminary lists of all witnesses (other than witnesses from whom expert reports will be
20 submitted pursuant to Rule 26(a)(2)(B) of the Federal Rules of Civil Procedure) that such Party
21 then believes that it may call to provide testimony at the Trial or the Hearing, as described in ¶ 28
22 of the Scheduling Order. Also on or before January 31, 2014, each Party intending to present
23 expert testimony shall exchange and provide to the other Parties the identity of any expert witness
24 it may use to present evidence in its case-in-chief and shall provide a written summary of the
25 topics that each such witness is expected to address, as described in ¶ 30 of the Scheduling Order.

26 3. The City shall file its summary memorandum in support of the Plan on or before

27 ¹ Unless otherwise specified herein, capitalized terms shall have the same meaning as used in the Scheduling Order.
28 This Order is intended to change only the dates of the affected deadlines, and does not otherwise alter the Scheduling Order.

1 February 3, 2014. The deadline by which any Party that sought discovery from the City may
2 serve and file a timely objection to the confirmation of the Plan is February 26, 2014. The
3 deadline for any Party that did not seek discovery from the City, or any third party, to timely file
4 an objection to the confirmation of the Plan remains February 10, 2014. As described in ¶ 52 of
5 the Scheduling Order, such memoranda and objections may be filed in summary form in such a
6 manner as to fully identify the issues to be addressed at the Hearing.

7 4. The depositions of any fact witness shall be taken no later than March 14, 2014.

8 5. On or before March 21, 2014, each Party intending to present expert testimony
9 shall serve and file its expert reports as provided in ¶ 31 of the Scheduling Order. Also on or
10 before March 21, 2014, each Party intending to present evidence shall serve on each other Party a
11 list of fact and expert witnesses (other than rebuttal and impeachment witnesses) whose testimony
12 the Party may submit at the Trial or Hearing, as described in ¶ 36 of the Scheduling Order.

13 6. Each Party shall serve on each of the other Parties a list of exhibits (other than
14 those to be used for impeachment or rebuttal) that the Party intends to introduce into evidence at
15 the Trial and/or the Hearing no later than April 4, 2014, as described in ¶ 37 of the Scheduling
16 Order.

17 7. The City may file a supplemental memorandum in support of the Plan no later than
18 March 31, 2014. Any Party or third party that filed a timely objection to the confirmation of the
19 Plan may file a supplemental objection to confirmation of the Plan no later than April 21, 2014.
20 Supplemental responsive pleadings to any objection to confirmation of the Plan may be filed no
21 later than April 28, 2014.

22 8. On or before April 4, 2014, each Party intending to present rebuttal expert
23 testimony shall serve and file its rebuttal expert reports, as described in ¶ 32 of the Scheduling
24 Order.

25 9. Expert depositions shall commence on or after April 8, 2014, and must conclude
26 by no later than April 18, 2014.

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1 10. The City and Franklin shall file in the Proceeding a joint statement of uncontested
2 facts relating to the Trial on April 7, 2014.

3 11. The City and Franklin shall serve and file pretrial opening briefs in the Proceeding
4 on April 7, 2014.

5 12. The City and Franklin shall serve and file pretrial reply briefs in the Proceeding on
6 April 21, 2014.

7 13. Each Party shall file and serve any Direct Testimony Declarations by April 21,
8 2014.

9 14. By no later than April 21, 2014, each Party shall serve on the other Parties the
10 Party's designation, by page and line number(s), of any deposition testimony from fact witnesses
11 they reasonably anticipate offering into evidence, as described in ¶ 40 of the Scheduling Order.

12 15. By no later than April 25, 2014, each Party shall serve (a) any counterdesignations
13 of deposition testimony; and (b) any written objections to the admission of all or any part of the
14 exhibits identified on the list of exhibits provided by each Party, as described in ¶ 44 of the
15 Scheduling Order. By no later than May 6, 2014, each Party shall serve any response to such
16 counterdesignations and written objections.

17 16. By no later than April 25, 2014, the Parties shall exchange copies of any exhibits
18 identified in the exchanged exhibit lists that have not been previously produced or delivered.

19 17. By no later than April 25, 2014, the Parties shall file and serve any *Daubert*
20 motions and any other motions in limine. By no later than May 6, 2014, the Parties shall file and
21 serve any oppositions to any *Daubert* motions or other motions in limine.

22 18. Any Party wishing to cross-examine any other Party's witnesses at the Trial or the
23 Hearing shall so notify the other Party by electronic mail no later than May 8, 2014, as described
24 in ¶ 49 of the Scheduling Order.

25 19. On May 12, 2014, at 9:30 a.m., the Court shall hear argument on any *Daubert*
26 motions, any motions in limine, and any objections to Direct Testimony Declarations, deposition
27 designations, and other exhibits filed and served pursuant to this Order. Prior to the start of the
28

1 Trial and the Hearing, the Court shall rule on all objections, motions, and other matters raised by
2 the Parties prior to the May 12, 2014, hearing.

3 20. The Trial and the Hearing shall commence on May 12, 2014, following the
4 conclusion of the hearing on the objections, motions, and other matters raised by the Parties, as
5 described in ¶ 51 of the Scheduling Order.

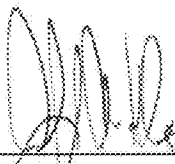
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7 Dated: January 30, 2014

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United States Bankruptcy Judge

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1 Prepared by:

2 ORRICK, HERRINGTON & SUTCLIFFE LLP

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4 By: /s/ Norman C. Hile
5 Norman C. Hile
6 Attorneys for City of Stockton, Debtor

6

7 Dated: January 28, 2014

7

8 Approved as to Form:

8

9 JONES DAY

9

10

11 By: /s/ James O. Johnson
12 James O. Johnston
13 Attorneys for Franklin

12

13 Dated: January 28, 2014

14

14 Approved as to Form:

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15 MINTZ LEVIN COHN FERRIS GLOVSKY AND
16 POPEO P.C.

16

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18 By: /s/ Adrienne Walker
19 Adrienne Walker
20 Attorneys for Wells Fargo Bank,
21 National Association, as Indenture Trustee

20

21 Dated: January 28, 2014

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1 Approved as to Form:

2 SIDLEY AUSTIN LLP

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4 By: /s/ Christina M. Craige
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5 Attorneys for Assured Guaranty Corp. and
 Assured Guaranty Municipal Corp.
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7 Dated: January 28, 2014

8 Approved as to Form:

9 WEIL, GOTSHAL & MANGES LLP

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11 By: /s/ Debra Dandeneau
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12 Attorneys for National Public Finance
 Guarantee Corporation
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14 Dated: January 28, 2014

15 Approved as to Form:

16 ARENT FOX LLP

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18 By: /s/ David Dubrow
 David Dubrow
19 Attorneys for Ambac Assurance Corp.

20 Dated: January 28, 2014

21

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1 Approved as to Form:

2 K&L GATES LLP

3

4 By: /s/ Michael J. Gearin
5 Michael J. Gearin
6 Attorneys for California Public Employees'
7 Retirement System

7 Dated: January 28, 2014

8 Approved as to Form:

9 FELDERSTEIN, FITZGERALD, WILLOUGHBY &
10 PASCUZZI LLP

11 By: /s/ Jason E. Rios
12 Jason E. Rios
13 Attorneys for the Official Committee of Retirees

14 Dated: January 28, 2014

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